Press Release

Office of the Kansas Securities Commissioner 618 S. Kansas Avenue Topeka, Kansas 66603-3804

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Wichita Man Arrested on Securities Fraud Charges

Wichita, Kansas: Kansas Securities Commissioner Chris Biggs and Sedgwick County District Attorney Nola Foulston announced today that Sedgwick County resident Scott B. Kaye was arrested on December 27 in north Newton, Kansas on 35 felony counts. All counts related to the alleged sale of an investment known as TrueHedge, an alleged hedge fund established by Kaye which took in \$1.9 million.

Charges were the result of an investigation by Special Investigators from the Office of the Kansas Securities Commissioner. Bond is set in the amount of \$100,000.

Kaye, 41, formerly resided at 14808 Sundance Circle, Wichita, Kansas and is charged 35 counts including:

- Engaging in business as a broker-dealer or agent without registration with the Office of the Kansas Securities Commissioner
- Unlawful acts in connection with the offer, sale or purchase of securities
- Offer or sale of unregistered securities

The state alleges that Kaye sold the securities and then used some of the funds for his own personal use. Kaye did not register this investment program and did not have a license to sell the investment. The Office of the Kansas Securities Commissioner further states that although all violations charged are felonies, charges are only accusations and the defendant is presumed to be innocent unless and until proven guilty beyond a reasonable doubt.

The Office of the Kansas Securities Commissioner is charged with administration and enforcement of the Kansas Securities Act under Chapter 17 of the Kansas Statutes. The Office investigates and prosecutes securities fraud, the offer or sale of unregistered securities and the offer or sale of securities by unlicensed stockbrokers or investment advisers. For more information and investor education resources, visit http://www.securities.state.ks.us.